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# GPP Bhutan

Green Public Procurement in Bhutan

## Project in Brief

*Green Public Procurement in Bhutan: A cross sectoral strategy for sustainable industrial competitiveness* (GPP Bhutan) establishes a strategic approach to scale-up public demand for environmentally and socially preferable goods, services and infrastructure. It provides a cross-cutting industrial strategy to support Gross National Happiness and 'The Middle Path', which together form the core of Bhutanese development priorities.

## Objectives

The project aims to implement GPP practices in Bhutan, enabling the procurement cycle to be used as a driver for green growth. It seeks to:

- 1) increase the positive environmental, social and economic multipliers of public consumption;
- 2) provide an incentive for sustainable production among suppliers, particularly SMEs; and
- 3) build demand-side and supply-side capacity to write and respond to GPP tenders.

## What is GPP?

Green Public Procurement (GPP) is defined by the European Commission as “a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured”.

Source: COM(2008) 400 *Public procurement for a better environment*

## Quick Facts

- Project duration: **3.5 years**, 2014-2017
- Funded by: The European Union’s **EuropeAid SWITCH-Asia Programme** that has the objective to promote the adoption of sustainable consumption and production (SCP) practices, reconciling the increased demand for goods and services with the need to minimize the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle.
- Implementing organizations: **International Institute for Sustainable Development** (project leader), **Bhutan Chamber of Commerce and Industry**, **Collaborating Centre on Sustainable Consumption and Production** (Germany), **Royal Institute of Management** (Bhutan), **Royal Society for the Protection of Nature** (Bhutan)

## Main Activities

- Develop policy recommendations on GPP;
- Develop dedicated GPP guidance materials for public procurers;
- Design preferential programmes for Cottage, Small and Medium Industries;
- Design and facilitate GPP training sessions for public procurers and suppliers;
- Mentor real-time GPP pilot tenders in selected industrial sectors; and
- Provide for long-term GPP implementation by establishing a GPP knowledge platform and curricula.

## Implementing Organisations



International Institute for Sustainable Development

Institut international du développement durable





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### Why GPP in Bhutan?

Governments spend a significant portion of their budgets on procuring goods, services and infrastructure. Bhutan is no exception, its government being the largest buyer in the country, with public procurement accounting for 60% of the annual government budget or 21% of annual real GDP (average from 2008 to 2013; includes procurement spending by government agencies and state-owned enterprises). Integrating environmental and social considerations into these large volumes of public spend is a practical way to incrementally promote sustainable consumption and production (SCP) across the Bhutanese economy. GPP can provide strong signals for the market to provide more sustainable products at affordable prices. GPP leadership by government can, in turn, encourage private consumption of sustainable products. International experience shows that if carefully and strategically implemented, sustainable goods are not necessarily more expensive than their traditional alternatives.

Bhutan has many advanced policies that foster sustainability. GPP is a logical next step from policies to practical action and could make SCP a driver for its domestic economy and the 'brand Bhutan'. Green procurement can contribute to

advancing industrial development and employment in line with the country's approach to development, as enshrined in the Gross National Happiness development philosophy, the 11<sup>th</sup> Five Year Plan (2013-18), the National Environment Strategy ('The Middle Path') and other similar policies.

### Focusing on SMEs

Realizing that small and medium-sized enterprises (SMEs) form the backbone of the Bhutanese economy and employment therein, GPP Bhutan places a strong emphasis on these entities. This concerns the focus of procurement policies so as to foster procurement from SMEs overall. In addition, preferential programmes will promote procurement from SMEs run by ethnic minorities, disabled persons and women's cooperatives. In parallel, the project will provide advice to SMEs on how to respond to GPP tenders. This targeting of SMEs will contribute to an improvement of the overall business environment and SCP in the Kingdom of Bhutan.

### For More Information

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### GPP-Bhutan is a project under:



### Participating Government & Public Organisations



Ministry of Finance

Gross National Happiness Commission

Ministry of Works and Human Settlement

National Environment Commission



Druk Holding and Investments